

TERMINATION OF COVERAGE

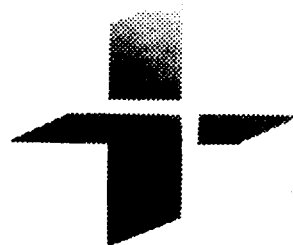
Your coverage will terminate at the end of the month in which your employment with the company is terminated for any reason other than retirement on a service or disability pension.

Dependent life will also terminate when a dependent ceases to be eligible under the definitions of the plan.

Supplementary life and **dependent** life will also terminate if you stop paying premiums.

Your coverage will also end if the plan is discontinued.

See "Effects of Various Status Changes on Your Benefits" for modifications due to approved leaves of absence, military leaves, various kinds of disability, and retirement.



LifePlus

What Else You Should Know

Here is more important information about your Group Life Insurance Program.

Assignment of Group Life Insurance

You may make an *irrevocable* gift assignment of your Group Life Insurance coverage if *both* the Company and Bankers Life consent. This means you may name someone else as owner of the policy even though it is your life that is insured.

If you make an assignment, it cannot later be revoked by you. The person to whom you assign your insurance has the absolute and continuing right to name beneficiaries or to exercise any other privileges which would have been otherwise available to you.

Because of the various legal and tax implications involved, you may wish to consult both your lawyer and tax advisor before taking any such action. If you wish to make a gift assignment, you can get the appropriate forms from the Insurance/Savings Office if you are an active employee. Retired employees may obtain the assignment form from their Pensioner Contact.

Payment of Benefits

Bankers Life pays the benefits provided under the Group Life Insurance Program.

Plan Contributions

The Company pays the entire cost of your **Basic** coverage.

Your **Supplementary** contributions, if any, go toward the total program premium paid by the Company to Bankers Life.

Plan Termination

The Company intends to continue your *Group Life Insurance Program* but reserves the right to terminate or amend it at any time, subject to applicable limitations of the law or any applicable collective bargaining agreements.

If the Group Life Insurance Program is ended (or if there is a transfer of Program assets and liabilities or a Program split-up), you will *not* be vested in any Program benefits or have any further rights (other than payment of covered expenses you had before the Program ended).

After all benefits have been paid and legal requirements have been met, the Group Life Insurance Program would turn over any remaining money to the Company. The Company will return any money attributable to Supplemental coverage to employees enrolled for that coverage.



What Else You Should Know

Assignment Of Group Life Insurance

You may make an *irrevocable* gift assignment of your Group Life Insurance coverage if *both* the Company and Principal Mutual Life Insurance Company consent. This means you may name someone else as owner of the policy even though it is your life that is insured.

If you make an assignment, it cannot later be revoked by you. The person to whom you assign your insurance has the absolute and continuing right to name beneficiaries or to exercise any other privileges which would have been otherwise available to you.

Because of the various legal and tax implications involved, you may wish to consult both your lawyer and tax advisor before taking any such action. If you wish to make a gift assignment, you can get the appropriate forms from the Insurance Office if you are an active employee. Retired employees may obtain the assignment form from their Pension Contact.

Payment Of Benefits

Principal Mutual Life Insurance Company pays the benefits provided under the Group Life Insurance Program.

Plan Contributions

The Company pays the entire cost of your *Basic* coverage.

Your *Supplementary* contributions, if any, go toward the total program premium paid by the Company to Principal Mutual Life Insurance Company.

Plan Termination And Amendment

The Company intends to continue your *Group Life Insurance Program* but reserves the right to terminate or amend it at any time, subject to applicable limitations of the law or any applicable collective bargaining agreements.

If the Group Life Insurance Program is ended or changed (or if there is a transfer of Program assets and liabilities or a Program split-up), you will *not* be vested in any Program benefits or have any further rights (other than payment of benefits to which you or your beneficiaries had become entitled before the Program ended or was changed).

After all benefits have been paid and legal requirements have been met, the Group Life Insurance Program would turn over any remaining money to the Company. The Company will return any money attributable to Supplementary coverage to employees enrolled for that coverage.

CLAIMS ADMINISTRATION

The Group Life Insurance is underwritten by:

EQUICOR-EQUITABLE/HCA CORPORATION
1285 Avenue of the Americas
New York, New York 10019

The Master Group Life Contract between the Company and the Insurance Company governs the operation of the Program at all times.

PLAN EXPENSES

The Company pays the entire cost of your *Basic* coverage. Your *Supplementary* contributions, if any, go toward the total program premium paid by the Company to the EQUICOR-EQUITABLE/HCA CORPORATION of the United States.

PLAN RECORDS

The Group Life Insurance Program and all of its records are kept on a calendar year basis beginning January 1 and ending December 31 of each year.

PLAN IDENTIFICATION NUMBERS

The Program is identified by the following numbers under Internal Revenue Service rules:

#84-0273800 Employer Identification Number assigned by IRS.

#501 The Plan Number assigned by the Company.

PLAN CONTINUANCE

The Company intends to continue the Group Life Insurance Program but reserves the right to terminate or amend it at any time, subject to applicable limitations of the law or any applicable collective bargaining agreements.

If the Group Life Insurance Program is ended (or if there is a transfer of Program assets and liabilities or a Program split-up), you will not be vested in any Program benefits or have any further rights (other than payment of covered expenses you had before the Program ended).

After all benefits have been paid and legal requirements have been met, the Group Life Insurance Program would turn over any remaining money to the Company.

The Company will return money attributable to Supplemental coverage to employees enrolled for that coverage.

PLAN DOCUMENTS

This section describes only the highlights of the Program. It does not attempt to cover all details. The benefits, terms and conditions of the Program are contained in the master contract between EQUICOR-EQUITABLE/HCA CORPORATION and the Company which legally governs the operation of the Program.

PROGRAM CONTINUANCE

The Company intends to continue the Group Life Insurance Program but reserves the right to end or amend it at any time subject to any applicable collective bargaining agreements. Should the Program be discontinued, claims based on events preceding the date of discontinuance will be honored.

UNION AGREEMENT

The Group Life Insurance Program is in conformity with collective bargaining agreements between the Company and the Communications Workers of America and Order of Repeatermen and Toll Testboardmen Local 1011 IBEW-AFL-CIO.

Copies of these agreements are distributed or made available to those covered by the agreements and to any other employee who submits a written request to the Program Administrator.

PROGRAM DOCUMENTS

This section describes only the highlights of the Program. It does not cover all details. The benefits, terms and conditions of the Program are contained in the master contract between California-Western States Life Insurance Company and the Company which legally governs the operation of the program. The master contract as well as the annual report of the program operations and program description as filed with U.S. Department of Labor, are available for review without charge by program participants or their beneficiaries in the Benefit Office during normal working hours. If the program participants are unable to examine these documents at that location, they should write the Benefit Office, specifying the documents to be examined and at which work location they wish to examine them. Copies of such documents will be made available for examination at that location within ten days of the date the request was submitted. Upon written request addressed to the Secretary, Employees' Benefit Committee, 1600 Bell Plaza, Room 2010, Seattle WA 98191, copies of any or all of these documents will be furnished at a reasonable charge to a program participant or beneficiary within 30 days.

PAYMENT OF BENEFITS

California-Western States Life Insurance Company pays the benefits provided under the Group Life Insurance Program.

LEGAL SERVICE

Process in legal actions with respect to the provisions of the insurance contract should be directed to the Vice President and General Counsel California-Western States Life Insurance Company, 2020 L Street, Sacramento, CA 95814. All other process concerning the program should be directed to the Secretary, Employees' Benefit Committee, 1600 Bell Plaza, Room 2010, Seattle, WA 98191.

ATTACHMENT 3

**U S WEST COMMUNICATIONS
TRANSITIONAL DEM IMPACT
(\$000)**

Exhibit 1

**ANNUAL FILING
REVENUE REQUIREMENT CHANGE**

1988 ANNUAL FILING, Tariff Period 1988 ¹ Estimated (Included in COS - 4, Column G and H)	(9,954)	
1989 ANNUAL FILING, Tariff Period 1989 Volume 2-3, Exhibit G	(23,449)	
1990 ANNUAL FILING, Tariff Period 01/90 - 06/91 COS - 3 (18 Month Impact)	(33,818)	
1991 ANNUAL FILING, Tariff Period 07/91- 06/92 EXG Form	(19,505)	
1992 ANNUAL FILING, Tariff Period 07/92 - 06/93 EXG Form	(16,782)	
1993 ANNUAL FILING, Tariff Period 07/93 - 06/94 EXG Form	(753)	
TOTAL		(104,261)

**ACTUAL INTERSTATE
REVENUE REQUIREMENT CHANGE**

1988 Derived: 1988 ARMIS 4304 Rows 1216 and 1219	(10,947)	
1989 Derived: 1989 ARMIS 4304 Rows 1216 and 1219	(24,027)	
1990 Derived: 1990 ARMIS 4304 Rows 1216 and 1219	(20,539)	
1991 Derived: 1991 ARMIS 4304 Rows 1216 and 1219	(19,723)	
1992 Derived: 1992 ARMIS 4304 Rows 1216 and 1219	(19,208)	
1993 Estimated ²	(4,201)	
TOTAL		(98,645)
DIFFERENCE		5,616

¹ LEC 1988 annual access tariff filings did not segregate out the effects of the DEM adjustment -- it was aggregated with several other revenue requirement changes. As such, it was necessary to estimate the individual impact of DEM on U S WEST's 1988 rates. The calculation of this estimate is contained in Exhibit 2.

² The annual amount for 1993 was estimated using five months of actual data. While this amount -- \$4.2 million -- may appear to be unusually small, it is a function of two things: 1) the transition period is ending and relative DEM usage is being used in place of the DEM allocator, and 2) U S WEST's 1992 Transitional DEM allocator is very close to the value for 1993 relative DEM usage.

U S WEST COMMUNICATIONS
Estimated 1988 Annual Filing DEM Impact
(\$000's)

Exhibit 2

- | | | |
|------|---|-----------|
| 1. | 1988 Forecast Period COE Cat. 3 Investment | 3,462,967 |
| | Source: 1988 Annual Access Filing, Part 32 Vertical Expansion
Report, Phase II Vertical Expansion, Line 90 | |
|
 | | |
| 2. | 1988 DEM | 0.234218 |
| | Derived from: USWC's Direct Case, CC Docket No. 88-1, Phase II,
Exhibit 4, Column D & G, Dated June 27, 1988 | |
|
 | | |
| 3. | Line 1 * Line 2 | 811,089 |
|
 | | |
| 4. | 1987 Interstate Factor | 0.242835 |
| | Derived from: USWC's Direct Case, CC Docket No. 88-1, Phase II,
Exhibit 4, Column D, Dated June 27, 1988 | |
|
 | | |
| 5. | Line 1 * Line 4 | 840,930 |

U S WEST COMMUNICATIONS
Local Switching - Category 3 Allocator

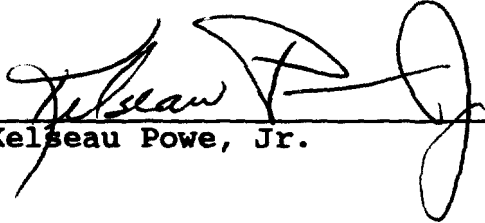
Exhibit 3

1987 Composite Allocator	0.258940
1988 Transitional DEM Allocator	0.249527
1989 Transitional DEM Allocator	0.229767
1990 Transitional DEM Allocator	0.210911
1991 Transitional DEM Allocator	0.193913
1992 Transitional DEM Allocator	0.178234
1993 Relative DEM	0.174436

NOTE: Derived by Study Area from ARMIS 4304 Rows 1216 and 1219 for the years 1988 through 1992. 1993 derived by Study Area Actual Results for January through May 1993.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 27th day of July, 1993, I have caused a copy of the foregoing **DIRECT CASE** to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.


Kelseau Powe, Jr.

***Via Hand-Delivery**

(CC93-193/JH/rg)

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